

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7716

BILL NUMBER: HB 1681

NOTE PREPARED: Mar 4, 2003

BILL AMENDED:

SUBJECT: Withholding from Pensions for Child Support.

FIRST AUTHOR: Rep. Young D

FIRST SPONSOR: Sen. Ford

BILL STATUS: As Passed - House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that benefit payments from certain pension funds are subject to withholding for child support.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Fiscal Impact:* For both the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), two of the funds affected by this proposal, there likely will be increased costs associated with implementation associated with computer and programming changes. In addition, additional staff may be required. The specific impact is indeterminable. The 1977 Police Officers' and Firefighters' Disability Fund also is affected by this proposal, as well as the Defined Benefit Fund and the Defined Contribution Plan of the Legislators' Retirement System. PERF administers both of these Funds. Both PERF and TRF have indicated that an outside consultant will be needed to determine how best to proceed and to determine the costs involved with this proposal.

[NOTE: This part of the fiscal note will be updated upon receipt of the information from both PERF and TRF.]

For the State Police Benefit System, there likely will be increased costs associated with the implementation of this proposal. The specific fiscal impact is indeterminable. The funds affected are the state General Fund and the Motor Vehicle Highway Account, both of which support the State Police Benefit System equally.

Explanation of State Revenues:

Explanation of Local Expenditures: *Fiscal Impact:* Also affected by this proposal are the 1925 Police

Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund, and various county sheriff plans. These plans are administered at the city, town, and county level. There likely will be increased costs associated with the implementation of this proposal at the local level.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund; Teachers' Retirement Fund; State Police Benefit System.

Local Agencies Affected: Those units with members in the various funds administered at the local level.

Information Sources: William Christopher, Director of TRF, 232-3869; Doug Mills, Chief Financial Officer of PERF, 234-2075.

Fiscal Analyst: James Sperlik, 317-232-9866.